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HCFA
DIVISION OF MEDICAID
RO VI - DALLAS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARKANSAS

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC state plan effective July 16, 1996:

_____ Pregnant women with no other eligible children.

_____ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

_____ In Determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

 X In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

_____ The agency applies lower income standards with are no lower than the AFDC standards in effect on May 1, 1988 as follows:

_____ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

_____ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

 X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

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* *One vehicle is excluded and the value of subsequent vehicles is determined based on Fair Market Value (to be consistent with Food Stamps).*

* *Cash surrender value of life insurance is disregarded as a resource.*

* *Income producing property is disregarded as a resource.*

* *Net earned income is calculated by subtracting from the gross, 20% for both applicants and recipients, and an additional 50% for recipients.*

* *Excluded from earned income: earnings from OJT or Subsidized employment placements for eligibility; earnings from any source for children and non-head of household minor parents; in-kind earned income.*

* *Certain unearned income is disregarded:*

contributions

lump sum payments (treated as a resource rather than income)

disregarded inconsequential income has a broader definition (less than \$5 per month but may be from any source and may be received on a regular basis such as interest income paid on a small savings account)

irregular income is income which is not received on a regular basis and is usually not predictable

Should a situation occur in which the above methodologies are not less restrictive, then the old methodology (AFDC criteria in place as of July 16, 1996) will be followed.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

* *Up to \$1500 was disregarded for a vehicle; equity value was used.*

* *The cash surrender value of life insurance policies was counted.*

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* *The equity value of non-home income producing property was counted.*

* *Net earned income was calculated as follows: Subtract \$90 from monthly gross earnings; then subtract \$30 (for 12 consecutive months); then subtract 1/3 of the remainder (for 4 consecutive months); then subtract child care, as paid, up to \$200 for children under 2, and \$175 for other children. The \$30 and 1/3 exclusions were allowed only for those applicants passing the pre-test for eligibility, and only for those recipients who had not already received the maximum number of months, or had not received assistance for at least 12 consecutive months since receiving the exclusions.*

* *The excluded earned income listed above was counted with some exclusions allowed for earnings received by a child.*

* *Disregarded unearned income was considered as follows: certain types of contributions and lump sum payments were counted as income in the month of receipt and, for lump sum payments, also in subsequent months; "inconsequential" was limited to gifts of less than \$30 per quarter; and there was no provision for irregular income.*

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

_____ The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

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